

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

The project, 730 Stanyan, located at 730 Stanyan Street in San Francisco, requested and is being recommended for a reservation of \$7,382,617 in annual federal tax credits to finance the new construction of 159 units of housing serving families with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by Tenderloin Neighborhood Development Corporation and will be located in Senate District 11 and Assembly District 17.

The project will be receiving rental assistance in the form of San Francisco Local Operating Support Program (LOSP). The project financing includes state funding from the No Place Like Home (NPLH) and Multifamily Housing Program (MHP) programs of HCD.

Project Number CA-22-574

Project Name 730 Stanyan
 Site Address: 730 Stanyan Street
 San Francisco, CA 94117
 County: San Francisco
 Census Tract: 166.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$7,382,617	\$0
Recommended:	\$7,382,617	\$0

Applicant Information

Applicant: 730 Stanyan Associates, LP
 Contact: Hermandeep Kaur
 Address: 201 Eddy Street
 San Francisco, CA 94102
 Phone: 415-417-3086
 Email: hkaur@tndc.org

General Partner(s) or Principal Owner(s): 730 Stanyan TNDC GP LLC
 730 Stanyan CCDC LLC
 General Partner Type: Nonprofit
 Parent Company(ies): Tenderloin Neighborhood Development Corporation
 Chinatown Community Development Center
 Developer: Tenderloin Neighborhood Development Corporation
 Bond Issuer: SF Office of Housing and Community Development
 Investor/Consultant: California Housing Partnership Corporation
 Management Agent: Tenderloin Neighborhood Development Corporation

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 160
 No. / % of Low Income Units: 159 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
 Geographic Area: San Francisco County
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	56	35%
40% AMI:	36	23%
50% AMI:	21	13%
55% AMI:	18	11%
60% AMI:	28	18%

Unit Mix

35 SRO/Studio Units
43 1-Bedroom Units
42 2-Bedroom Units
40 3-Bedroom Units
<hr/> 160 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
10 SRO/Studio	20%	\$341
12 1 Bedroom	20%	\$359
8 2 Bedrooms	20%	\$404
10 3 Bedrooms	20%	\$449
7 SRO/Studio	25%	\$728
4 1 Bedroom	25%	\$831
3 2 Bedrooms	25%	\$935
2 3 Bedrooms	25%	\$1,039
10 SRO/Studio	40%	\$1,213
11 1 Bedroom	40%	\$1,386
3 2 Bedrooms	40%	\$1,559
2 3 Bedrooms	40%	\$1,733
8 SRO/Studio	40%	\$341
2 1 Bedroom	40%	\$359
13 1 Bedroom	50%	\$1,663
4 2 Bedrooms	50%	\$1,870
4 3 Bedrooms	50%	\$2,079
9 2 Bedrooms	55%	\$2,307
9 3 Bedrooms	55%	\$2,598
15 2 Bedrooms	60%	\$2,494
13 3 Bedrooms	60%	\$2,771
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,376,238
Construction Costs	\$113,277,776
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$8,458,175
Soft Cost Contingency	\$1,041,313
Relocation	\$0
Architectural/Engineering	\$4,180,440
Const. Interest, Perm. Financing	\$13,242,789
Legal Fees	\$65,961
Reserves	\$1,194,794
Other Costs	\$2,971,366
Developer Fee	\$3,300,000
Commercial Costs	\$6,109,008
Total	\$155,217,860

Residential

Construction Cost Per Square Foot:	\$839
Per Unit Cost:	\$930,740
True Cash Per Unit Cost*:	\$927,142

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Chase Tax-Exempt	\$81,104,569	Chase Tax-Exempt	\$4,541,000
Chase Taxable	\$6,452,685	HCD-MHP	\$23,790,157
San Francisco-MOHCD	\$43,416,759	San Francisco-MOHCD	\$43,416,759
San Francisco-NPLH	\$8,583,241	San Francisco-NPLH	\$8,583,241
Accrued Interest	\$1,704,291	Accrued Interest	\$1,704,291
Deferred Developer Fee	\$600,000	Deferred Developer Fee	\$600,000
Deferred Costs	\$2,764,953	General Partner Contribution	\$500,000
Tax Credit Equity	\$10,591,362	Tax Credit Equity	\$72,082,412
		TOTAL	\$155,217,860

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$141,973,405
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$184,565,427
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$7,382,617
Approved Developer Fee in Project Cost:	\$3,300,000
Approved Developer Fee in Eligible Basis:	\$3,109,569
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.97638

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions:

The project contains 160 total units, 50 of which will be designated for families and Transitional Aged Youth that are experiencing homelessness and supported financially by the City and County of San Francisco's Local Operating Subsidy Program (LOSP).

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.